

Honorable Karen A. Overstreet
Chapter 11
Hearing Date: Friday, January 22, 2010
Hearing Time: 11:00 am
Hearing Location: Room 7206, Seattle
Response Date: January 15, 2010

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re

THE CASCADIA PROJECT LLC,
Debtor.

Case No. 09-20780-KAO

DECLARATION OF JOHN LADENBURG
IN SUPPORT OF DEBTOR'S RESPONSE
TO MOTION OF HOMESTREET BANK
FOR RELIEF FROM THE AUTOMATIC
STAY

I, John Ladenburg, hereby declare as follows:

1. I am the Chief Operating Officer for The Cascadia Project LLC, debtor and debtor in possession herein ("Debtor" or "TCP"). I have personal knowledge of the facts set forth below and I am competent to testify thereto.

2. I have been Chief Operating Officer of Cascadia since October 16, 2009. Prior to that, beginning on January 1, 2009, I was a consultant to the Debtor. My duties are to identify and negotiate developments projects, and to see these projects through to conclusion. These projects include the negotiation of sales and leases.

3. TCP is currently involved in negotiations with multiple parties in regard to the lease or sale of portions of its vast land holdings.

1 4. TCP has successfully negotiated the sale of an easement to Puget Sound
2 Energy. The sale is now awaiting final court approval. The sale will generate \$548,750.00 and
3 is expected to close within the next few weeks.

4 5. TCP is the final stages of negotiations with Miles Sand and Gravel for the
5 lease of a gravel pit. The gravel pit has been approved by Pierce County and all necessary
6 permitting as been issued. TCP anticipates an agreement will be reached within the next week to
7 10 days. The gravel should begin generating revenue within 30 to 45 days after approval.

8 6. TCP is also in the final stages of negotiations with American Tower
9 Corporation. The negotiations involve a ground lease for a communications tower. The
10 financial terms of the lease are now in place and TCP anticipates the remaining terms of the lease
11 will be approved within the next few weeks. The financial terms of the lease, as currently
12 negotiated, provide for a payment of \$70,000.00 to TCP when the lease is executed and
13 American Tower Corporation obtains the necessary permitting. American Tower Corporation
14 will pay all infrastructure costs. Once operational, the lease will generate \$2,500 per month in
15 addition to 20% of the tower's gross income which American Tower Corporation will derive
16 from leasing sites on the tower to various communications companies. The tower is FAA
17 approved. The tower is expected to be particularly valuable as it will provide coverage from
18 Olympia to Seattle. It is anticipated that many communication companies will be interested in
19 leasing sites on the tower because of its broad coverage. In addition, the tower is expected to
20 improve coverage on the TCP site, and in effect, enhance the value of TCP's property.

21 7. TCP is also in negotiations with Sumner School District for the sale of
22 approximately 25 acres of land. TCP is awaiting an offer from the school district. The school
23 district has indicated to TCP that it will make an offer after an appraisal on the land is complete.
24 A true and correct copy of a letter from Sumner School District discussing these negotiations is
25 attached hereto as Exhibit A.
26

8. TCP is also involved in active negotiations with an existing Northwest water bottling company interested in moving to a larger site. I spoke with the President of the company today and he indicated that the company is very interested and expects to have financing in place in three weeks. The company intends to purchase 50 acres outright and take an option on another 50 acres. TCP and the company have yet to negotiate price and TCP anticipates a final agreement is two to three months away.

9. TCP is continuing to negotiate the sale and development of its finished lots.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

SIGNED this 15th day of January, 2010, at Tacoma, Washington.

/s/ John Ladenburg
John Ladenburg